

Mr. Speaker, here we are, in the waning days of this Congress, no closer to providing a prescription drug benefit in Medicare or a Patients' Bill of Rights and having done nothing to further strengthen Social Security or Medicare or eliminate the federal debt by 2012. As a member of the Budget Committee, I continue to advocate that Congress preserve the budget surplus and use it to pay off the national debt while strengthening Social Security. The \$3.7 trillion dollar public debt is a tremendous burden on the economy. H.R. 8 jeopardizes our ability to protect Social Security and Medicare and pay down the national debt by creating a revenue loss, when executed, in excess of half a trillion dollars over ten years.

Mr. Speaker, I agree that there are many areas in our tax code warranting reform, including the estate tax, but to start here, with a repeal of tax that only affects the top 2% of all Americans is clearly not a correct priority. I have supported a plan to provide real relief, faster and more fiscally prudent. But, unfortunately, the Majority is more interested in sound bites than sound policy.

Mr. GARY MILLER of California. Mr. Speaker, I rise to urge my colleagues to override President's Clinton's nonsensical veto of H.R. 8, the "Death Tax Elimination Act."

Repealing the death tax would offer significant tax relief to working families and farmers throughout our nation. In my State of California, 80% of our economy's jobs are created as a direct result of small businesses. For these working Americans, H.R. 8 will ensure future prosperity for their families and the individuals their business employs.

In addition to being a financial burden, the death tax is morally wrong. Throughout our lives, we are taxed every time we turn on the light, flush the toilet, earn an income, and even when we die. Taxing one's estate—property which has been subject to property taxes, capital gains taxes, and purchased with net income—is nothing more than double taxation. How can we, the legislators of the freest country in the world, justify this?

Most importantly, our budget can afford this tax relief. Don't be fooled by the rhetoric coming from the other end of Pennsylvania Avenue. Even when combined with the marriage penalty tax relief, these two tax cuts represent only 2% of our surplus.

Losing a loved one is tough enough. Let's make the grieving process a little bit easier by taking the IRS out of the funeral.

Mrs. MINK of Hawaii. Mr. Speaker, I will vote to override the President's veto of H.R. 8, the Estate Tax bill not because I favor repeal of the estate tax, but to send a message to the Democratic and Republican leadership that both sides must work to strike a compromise and pass a bill to reform the estate tax.

Clearly the estate tax has a deleterious effect on successful persons who hope to pass along homes to their children. In my State of Hawaii, property values are highly inflated and properties which would not result in any estate tax on the mainland are subject to estate tax in Hawaii. In 1997, the last year for which statistics are available, 2.5 percent of estates in Hawaii were subject to Federal estate taxes, compared to only 1.9 percent nationwide.

When H.R. 8 was originally considered, I first voted for the Democratic substitute which would have raised the exemption to \$4 million,

lowered the tax rate and taken effect immediately. The Republican bill would not take full effect for ten years and it did nothing to lower rates. That is too long for many people.

We need to raise the exemption for estates to \$4 million or more, lower the tax rate and make the changes effective immediately. There is plenty of room for compromise between the two positions. Both sides must compromise, the Democrats as well as the Republicans.

Mr. KIND. Mr. Speaker, I rise today to oppose, HR 8, the Estate Tax Repeal.

The Leadership has scheduled a vote to attempt to override the president's veto of H.R. 8 in hope that they can take the backdoor route to enact the first installment of their \$2 trillion dollars of tax cuts that favor the wealthy over the working families. If this complete repeal of the estate taxes is adopted, it would provide \$200 billion of tax relief to the wealthiest 400 individuals in this country. Not only is this not fair it will make it harder to meet our existing obligations such as paying off the 5-7 trillion dollar national debt, saving Social Security, investing in education and modernizing Medicare to provide a prescription drug benefit.

If the leadership were serious about providing estate tax relief to small businesses and family farms, they would have worked for a truly bipartisan estate tax that all members of Congress would have supported and the president would have signed into law. There will be no estate tax relief, however, if the leadership is not willing to compromise.

With only 19 days remaining in this legislative session, why are we wasting our time debating a bill that benefits the few and prevents us from taking meaningful action on prescription drugs, a Patient's bill of Rights, school construction, and a modest increase in the minimum wage?

I believe we should provide relief to family farms and small businesses and that is why I supported the Rangel alternative that was offered during debate in July. This alternative would have provided fiscally responsible estate tax relief to all small business and family farms starting Jan. 1, 2001. Specifically, it would have immediately raised the special exclusion from the estate tax from \$675,000 to \$4 million for a couple owning a farm or small business and would have lowered the estate tax rates by 20% across the board.

Unfortunately, congressional leaders opposed this alternative and now continue to waste our time and the taxpayers money debating an estate tax bill that is doomed to fail, only to be used for political purposes during an election year.

Mr. Speaker, I hope we can still reach a compromise on tax relief. But we need sensible tax cuts that stay within a budget and go to working families. As Secretary Summers stated, "in this new era of surpluses, Congress faces profound economic choices that will affect all Americans. There is a strong case for targeted relief, but to put repeal ahead of increasing the minimum wage, putting in place a Patients' bill of Rights, giving tax relief for middle-income families, and strengthening Medicare and Social Security would be to sacrifice the economic interests of most Americans."

Mr. Speaker, I urge my colleagues to vote against H.R. 8. Any tax cut must be done in a fiscally responsible manner, and not derail

the opportunity we have to reduce our large national debt, and prepare for our future obligations to our aging population.

Mr. WELDON of Florida. Mr. Speaker, I rise to express disappointment over Mr. Clinton's veto of the bipartisan bill to eliminate the death tax and vowed to work to override the veto once the bill is returned to the House for consideration. Death tax repeal legislation was passed in the House with a strong bipartisan vote (279-136) in June.

This bill would help working Americans who have built up family owned small businesses or family farms. I am pleased with the broad support this repeal legislation received across the political spectrum and I hope this will help us override this ill-advised veto.

The death tax unfairly forces many working families to sell the family businesses or a family farm just to pay the exorbitant taxes. This is a confiscatory tax that takes half of what someone has spent a lifetime building. When this bill becomes law, it will disinvite the Internal Revenue Service to the funeral.

Mr. Clinton and Mr. GORE have injected class warfare into this debate. But they must come to realize that this tax is burdensome to all small business owners, including many first generation minority-owned and women-owned businesses. Small business owners have spent years building up family businesses in the hopes of passing them down to their children. The death tax kills these dreams. It forces these families to completely start over.

Repealing this tax will also help preserve open spaces. As cities encroach on agricultural lands, the estate tax forces most of these families to sell the farm to developers in order to pay the death taxes. Passing the death tax repeal will help us preserve these open spaces.

According to the National Federation of Independent Businesses (NFIB), more than 70 percent of small businesses do not survive the second generation and 87 percent do not make it to the third generation. Sixty percent of small-business owners report that they would create new jobs over the coming year if estate taxes were eliminated.

Repealing this unfair tax would help preserve small businesses, farms, and open spaces. It would keep family businesses together. It would keep family farms in families. It would create new jobs. Let's pass this repeal.

Mr. SMITH of Texas. Mr. Speaker, the death tax really amounts to a double or triple tax. People have already paid a tax on the income they have earned and then they have paid a tax on any gains they have made from investments or interest they have earned from savings and then the death tax hits them again.

It's the wrong tax at the wrong time on the wrong people.

Opponents say repeal of the death tax is not necessary because it affects relatively few estates and there is an exemption for the first \$675,000 of an estate. What they will not tell you is that any business with five or ten employees is usually worth more than that amount. And any farm or ranch that is relied upon by an individual as their sole source of income is going to be worth more than that amount, too.

Hard working Americans deserve to be able to leave on the results of their lifetime labor to their children or others. Small businesses and